

APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



July 15, 2024

The Secretary,
Bombay Stock Exchange Ltd
(BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code - 508869
ISIN INE437A01024

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.
Scrip Code- APOLLOHOSP
ISIN INE437A01024

Dear Sir/Madam,

Sub: Notice of Postal Ballot - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 30 of the SEBI LODR Regulations, we hereby enclose the Notice of Postal Ballot dated July 12, 2024 along with explanatory statement for seeking approval of Members through electronic voting (remote e-voting) in relation to following proposals:

Sl.No.	Description of Resolutions	Type of Resolution
1	Material related party transactions entered into by Apollo Healthco Limited (AHL), a material subsidiary of the Company	Ordinary Resolution
2	Dilution of shareholding in Apollo Healthco Limited (AHL), a material subsidiary of the Company	Special Resolution

In compliance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, the Notice of Postal Ballot is being sent by electronic mode only on Monday, July 15, 2024 to those Members whose names appear in the Register of Members / List of Beneficial Owners and whose e-mail addresses are registered with the Company/Company's Registrar and Share Transfer Agent/Depositories as on the "Cut-off Date" i.e. Friday, July 12, 2024.

The hard copy of the Notice along with postal ballot form and postage prepaid self-addressed business reply envelope to the members will not be sent to the members in accordance with the requirements specified under the MCA Circulars.

The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) for providing e-voting facility to all the Members. The remote e-voting facility would be available during the following period

Commencement of remote e-Voting	Thursday, 18th July 2024 (9.00 A.M. IST)
End of remote e-Voting	Saturday, 17th August 2024 (05.00 P.M. IST)

IS/ISO 9001 : 2000

Regd. Office :
19, Bishop Gardens,
Raja Annamalaipuram,
Chennai - 600 028.

General Office :
"Ali Towers" III Floor,
#55, Greaves Road,
Chennai - 600 006.

Tel : 044 - 2829 0956 / 3896 / 6681
Telefax : 044 - 2829 0956
Email : investor.relations@apollohospitals.com
Website : www.apollohospitals.com



APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



The remote e-voting module shall be disabled by NSDL for voting after 5:00 P.M. (IST) on Saturday, August 17, 2024.

The Board of Directors of the Company have appointed Mrs. Lakshmmi Subramanian, Senior Partner of M/s. Lakshmmi Subramanian & Associates, Practising Company Secretaries, as the scrutinizer to conduct the e-voting process in a fair and transparent manner.

The Notice along with other documents viz. Presentation on Transaction Rationale and Governance is being sent to the Members in electronic mode and is also accessible on the website of the Company <https://www.apollohospitals.com/corporate/corporate-actions/>.

The members can vote on resolution through remote e-voting facility only. Assent or dissent of the members on the resolution mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars.

The results of remote e-voting will be declared on or before Monday, August 19, 2024 and the same shall be intimated to BSE Limited and National Stock Exchange of India Limited and will also be displayed on the Company's website www.apollohospitals.com.

Kindly take the same on your record and acknowledge receipt.

Thanking you

Yours faithfully
For APOLLO HOSPITALS ENTERPRISE LIMITED

S.M. KRISHNAN
Sr. VICE PRESIDENT - FINANCE
AND COMPANY SECRETARY



Apollo Hospitals Enterprise Limited

(CIN: L85110TN1979PLC008035)

Registered Office: 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028

Secretarial Dept : Ali Towers III Floor, No. 55, Greams Road, Chennai – 600 006

email: investor.relations@apollohospitals.com website: www.apollohospitals.com

Phone: +91-44-2829 0956, 2829 3896 Board: 2829 3333 Extn : 6681

POSTAL BALLOT NOTICE

Pursuant to Section 110 read with Section 108 of the Companies Act, 2013, Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014, as amended and applicable Circulars issued by the Ministry of Corporate Affairs, Government of India)

Dear Member(s),

Notice is hereby given to the members of Apollo Hospitals Enterprise Limited (the “**Company**” or “**AHEL**”) that, pursuant to the provisions of Section 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) read with the Companies (Management and Administration) Rules, 2014 (“**Management Rules**”) including any statutory modification or reenactment(s) thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and other applicable laws and regulations, the resolutions appended below are proposed to be passed by the members of the Company through postal ballot, only by means of remote electronic voting (“**remote e-voting**”).

The Ministry of Corporate Affairs, Government of India vide its General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 3/2022 dated May 5, 2022, No. 11/2022 dated December 28, 2022 and No. 9/2023 dated September 25, 2023 (the “**MCA Circulars**”), has advised companies to take all decisions of urgent nature requiring the approval of members, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Act and rules made thereunder, without holding a general meeting, which

requires physical presence of members at a common venue. Accordingly, hard copy of Postal Ballot Notice along with postal ballot form and pre-paid business reply envelope will not be sent to the members and the Postal Ballot Notice is being sent only through electronic mode to those members whose names appear in the register of members/records as received from Registrar and Share Transfer Agent and Depositories as on the Cut-off Date i.e. Friday, 12th July 2024.

In compliance with Regulation 44 of the SEBI Listing Regulations read with Section 108 and 110 of the Act and rules made thereunder and the MCA Circulars, the Company has extended the facility of remote e-voting for its members through National Securities Depository Limited (“NSDL”), to enable them to cast their votes electronically instead of submitting the postal ballot form physically. Members whose names appear in the register of members/records as received from Registrar and Share Transfer Agent and Depositories as on the Cut-off Date i.e. Friday, 12th July 2024 will be considered for the purpose of remote e-voting. A person who is not a member as on the Cut-off Date should treat this Notice for information purpose only. In the case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote. The remote evoting period commences on Thursday, 18th July 2024, at 9:00 a.m. and ends on Saturday, 17th August, 2024, at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The instructions for remote e-voting are appended to this Notice. This Notice is also available on the Company’s website at www.apollohospitals.com, website of stock exchanges (BSE Limited) at www.bseindia.com and (NSE Limited) at www.nseindia.com and website of NSDL at www.evoting.nsdl.com

An explanatory statement pursuant to Section 102 and other applicable provisions of the Act, pertaining to the resolution setting out the material facts and the reasons/ rationale thereof, is appended and forms part of this Notice.

The Board of Directors on 12th July 2024, has appointed Ms. Lakshmmi Subramanian (CP No. 1087), Practicing Company Secretary, as scrutinizer (the “**Scrutinizer**”) to conduct the postal ballot e-voting process in a fair and transparent manner

The Scrutinizer will submit his report to the Chairman of the Company or any other person so authorized, and the result will be announced within 48 hours from the conclusion of the e-voting period i.e. on or before 19th August 2024. The results of the remote e-voting conducted by postal ballot process along with the Scrutinizer’s Report will be made available on the website of the Company at www.apollohospitals.com and website of NSDL at

www.evoting.nsdl.com and shall also be intimated to the stock exchange(s), where the shares of the Company are listed. The resolutions, if passed with the requisite majority through postal ballot, shall be deemed to have been passed, on the last date specified for remote e-voting i.e. Saturday, 17th August 2024. If a resolution is assented to by the requisite majority through postal ballot by means of remote e-voting, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

EXECUTIVE SUMMARY Shareholders will be asked to support two transformational transactions which involve: (1) integrating a pharmacy distribution player with our digital healthcare platform to create an integrated, omni-channel business; and (2) raising capital.

The contemplated transactions are driven by prominent trends in India, notably population growth, economic development, and rapid digitalization. These dynamics underscore the necessity for an integrated healthcare ecosystem that have scalability to meet the demographic-driven demand and capability to do so with utmost quality, which the Board believes the proposed transactions achieve for Apollo Hospitals.

Although detailed in this document, an overview of the transactions are as follows:

- **Deal Terms and Parties:** The transactions involve Apollo Healthco Limited (“**AHL**”) raising capital from Rasmeli Limited (an affiliate of Advent International), a global private equity investor. This will be coincided by the corresponding investment by AHL in Keimed Private Limited (“**Keimed**”) and thereafter the integration/amalgamation of Keimed with AHL. Keimed is a market leader in wholesale pharma distribution with an extensive network of 70,000+ pharmacies.
- **Strategic Rationale:** The strategy behind the transactions include: (a) creating India’s leading omni-channel healthcare business, by complementing our fast-growing digital platform with India’s leading pharmacy distribution player having substantial pan-India reach; (b) building on Keimed’s substantial (pan-India) network to accelerate AHL’s higher-margin private label portfolio and expansion into untapped markets; (c) increase patient retention and satisfaction, thereby further bolstering our competitive advantage – the integrated and seamless Apollo healing ecosystem.
- **Financials and Synergies:** The transactions anticipate substantial financial benefits and synergies. The merged entity is projected to achieve consolidated revenues of

approximately INR 25,000 Crores by Year 3 with operating margins of 7-8%. The transactions are expected to be EPS accretive from Year 1, demonstrating significant value creation for our shareholders.

- **Oversight Process & Independent Opinion:** The transactions have been thoroughly reviewed and approved by our audit committee, which is 100% independent and led by our Lead Independent Director. This ensures that all processes adhere to the highest standards of corporate governance and oversight. Valuation reports have been received from reputable firms such as (i) KPMG for the purposes of the transaction, and (ii) Ernst & Young for (a) AHL in relation to compliance with the FEMA guidelines by AHL, and (b) Keimed from a Related Party Transaction perspective.

SPECIAL BUSINESS:

Resolution No. 1

Material related party transactions entered into by Apollo Healthco Limited (AHL), a material subsidiary of the Company

To consider and pass, the following resolution as an **Ordinary** Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), and other applicable provisions, of the Companies Act, 2013 (**“Act”**) read with relevant rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Act, the memorandum and articles of association of the Company and the Company’s Policy on Related Party Transactions and other appropriate approvals, consents, permissions and sanctions, as may be required, the consent of the members of the Company be and is hereby accorded for (a) acquisition by AHL of an aggregate of 11.189% (eleven point one eight nine percent) of the issued and paid up share capital of Keimed Private Limited (**“Keimed”**), a related party of AHL, on a fully diluted basis in two tranches, in the following manner: (i) AHL shall acquire a stake of ~ 1.964% (one point nine six four percent) of the share capital of Keimed, on a fully diluted basis, by way of purchase of 1,32,934 (one lakh thirty two thousand nine hundred and thirty four only) equity shares from Mrs. Shobana Kamineni, a related party of AHL and the Company (or her affiliates) (**“SK”**), aggregating to ~ INR 1,25,40,03,643.52 (Indian Rupees One Hundred Twenty Five Crore Forty Lakh Three Thousand Six Hundred and Forty Three and Fifty Two Paise only); and (ii) AHL

shall acquire additional shares in Keimed increasing its total stake to 11.189% (eleven point one eight nine percent) in Keimed, on a fully diluted basis, by way of: (A) purchase of 5,30,073 (five lakh thirty thousand and seventy three only) equity shares from SK aggregating to ~ INR 5,00,03,27,029.44 (Indian Rupees Five Hundred Crore Three Lakh Twenty-Seven Thousand and Twenty Nine and Forty Four Paise only), and (B) subscription of 1,06,007 equity shares (one lakh six thousand and seven only) to be issued by Keimed, having an issue price of Rs. 9,433.28 (Indian Rupees Nine Thousand Four Hundred Thirty Three and Twenty Eight Paise only) per equity share aggregating to a total consideration of INR 99,99,93,712.96 (Indian Rupees Ninety-Nine Crore Ninety Nine Lakh Ninety Three Thousand Seven Hundred and Twelve and Ninety Six Paise only) (“Keimed **Primary Shares**”), and (b) subsequent amalgamation of Keimed with AHL (with Keimed dissolving without liquidation) (“**Keimed Merger**”), (x) in each case, on terms and conditions set out in the agreements approved by the Board (including the independent directors) in this regard, along with agreements with Rasmeli Limited (“**Rasmeli**”) in connection with acquisition by Rasmeli of a stake of 16.9% (sixteen point nine percent) of the issued and paid up share capital of AHL, on an as-if converted basis, in one or more tranches, and a resultant dilution of the Company’s stake in AHL, being referred to collectively as the “**Transaction Agreements**”) and (y) the Keimed Merger being undertaken on the basis of the share exchange ratio as determined by independent valuers(s) appointed by the board of AHL and that will be specified in the scheme of the Keimed Merger, provided that (unless otherwise consented to by AHL) for every fully paid-up equity share (face value INR 10 (Indian Rupees Ten only) each) of Keimed, a shareholder of Keimed shall be entitled to no more than 0.81 equity shares of AHL of face value INR 10 (Indian Rupees Ten only), subject to adjustments for scenarios set out in the Transaction Agreements (it being clarified that in the event of capital expansion of AHL by way of preferential allotment of shares by AHL for a sum of up to INR 3,99,99,97,755.00 (Indian Rupees Three Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety Seven Thousand Seven Hundred and Fifty Five only), increase in the employee stock option pool under the employee stock option plan of AHL and bonus issuance by AHL in the manner specified in the Transaction Agreements, the share exchange ratio described above may stand adjusted such that for every fully paid-up equity share (face value INR 10 each (Indian Rupees Ten only)) of Keimed, a shareholder of Keimed shall be entitled to no more than 33.41 equity shares of AHL of face value INR 10 (Indian Rupees Ten only), in the manner detailed in the Transaction Agreements).

RESOLVED FUTURE THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorised to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution (including negotiating, finalizing, modifying, amending, settling and executing of such documents / writings / deeds / papers / agreements as may be necessary or incidental thereto), and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal with all questions or difficulties that may arise in the course of implementing the above resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or the Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.”

Resolution No. 2

Approval for dilution of shareholding in Apollo Healthco Limited (AHL), a material subsidiary of the Company

To consider and pass, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Regulation 37A and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the memorandum and articles of association of the Company and subject to statutory/ regulatory approvals, as may be required, consent of the members of the Company be and is hereby accorded for the investment of INR 24,75,00,00,282.31 (Indian Rupees Two Thousand Four Hundred Seventy Five Crore Two Hundred Eighty Two and Thirty One Paise only) by Rasmeli Limited (an affiliate of Advent International, “**Rasmeli**”) into **AHL**, a material subsidiary of the Company for acquisition of a stake of 16.9% (sixteen point nine percent) of the issued and paid up share capital of AHL along with voting rights, on an as if converted basis, by subscription to compulsorily convertible preference shares and 1 equity share to be issued by AHL, in one or more tranches (further to be diluted to a stake of up to 12.125% (twelve point one two five percent) of the issued and paid up share capital of the merged entity upon amalgamation of Keimed with AHL, as may be adjusted upwards pursuant to the adjustments in accordance with Transaction Agreements), and resultant

dilution of the Company's stake in AHL, on such terms and conditions set out in the agreements approved by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board, be and is hereby authorised to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution (including negotiating, finalizing, modifying, amending, settling and executing of such documents / writings / deeds / papers / agreements as may be necessary or incidental thereto), and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal with all questions or difficulties that may arise in the course of implementing the above resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or the Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.”

By Order of the Board
For Apollo Hospitals Enterprise Limited

S M Krishnan
Sr. Vice President – Finance
& Company Secretary

Registered Office:

No 19 Bishop Gardens,
Raja Annamalaipuram
Chennai – 600 028

Place: Chennai

Date: 12th July 2024

Notes:

1. Any queries/grievances in relation to the e-voting may be addressed to Shri. S M Krishnan, Sr. Vice President-Finance and Company Secretary and Shri. L.Lakshminarayana Reddy, Vice President -Secretarial of the Company at Ali Towers, III Floor, No. 55 Greams Road, Chennai – 600 006 or through email to krishnan_sm@apollohospitals.com and lakshminarayana_r@apollohospitals.com, officials of the Company who can also be contacted at +91-44-28290956 and the RTA, Integrated Registry Management Services Private Ltd, IIInd Floor, “Kences Towers”, No.1, Ramakrishna Street, North Usman Road, T .Nagar, Chennai 600 017, Phone:044-28140801-803, Fax :044-28142479, Email:inward@integratedindia.in.
2. Explanatory Statement pursuant to Section 102 and 110 of the Act, and any other applicable provisions of the Act, the Rules made thereunder, the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2), setting out material facts and reasons thereof for the proposed resolutions, forming part of the Notice, is annexed herewith.
3. In accordance with MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to all the Members whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on 12th July 2024 (the “Cut-off Date”) and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company’s Registrar and Share Transfer Agent, (“RTA”). Physical copies of the Postal Ballot Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot.
4. Members may note that the aforesaid Postal Ballot Notice has been uploaded on the website of the Company at www.apollohospitals.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. (Bombay Stock Exchange Ltd.) at www.bseindia.com , National Stock Exchange of India Limited (NSE) at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com
5. Pursuant to Sections 108, 110 and other applicable provisions of the Act and the Rules made thereunder, the MCA Circulars and Regulation 44 of the SEBI Listing

Regulations read with SEBI circular on e-voting, dated December 9, 2020; SS-2 and any amendments thereto, the Company is providing the facility to the Members to exercise their right to vote on the proposed resolution electronically. The Company has engaged the services of National Securities Depository Limited (NSDL), the agency to provide e-voting facility. Members are requested to carefully read the instructions for e-voting that are provided as part of this Postal Ballot Notice before casting their vote.

6. Relevant documents referred to in this notice will also be available electronically for inspection without any fee by the members from the date of circulation of this notice upto the closure of remote e-voting. Members seeking to inspect such documents can send an email to companysecretary@apollohospitals.com
7. The voting rights of the Members shall be reckoned in proportion to the equity shares held by them on the Cut-off Date i.e. 12th July 2024. only those Members holding shares either in physical form or dematerialized form as on the Cut-off Date will be entitled to cast their votes only through remote e-voting. A person who is not a member as on the Cut-off Date should treat this notice for information purpose only.
8. The remote e-voting period commences from 9.00 a.m. (IST) on Thursday, 18th July 2024, and ends at 5.00 p.m. (IST) on Saturday, 17th August 2024. During this period, Members of the Company holding equity shares either in physical form or in dematerialized form, as on the cut-off Date i.e., Friday, 12th July 2024 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting after Saturday, 17th August 2024 (5:00 PM IST). Once the vote on a resolution is cast by a member, he or she will not be allowed to change it subsequently.
9. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot in line with the exemption provided in the MCA circulars.
10. The resolution, if passed by the requisite majority, shall be deemed to have been passed on the last date of e-voting i.e., Saturday, 17th August 2024.
11. The Scrutinizer will submit his report to the Chairman of the Company, or any person authorized by him, after completion of the scrutiny of the votes casted electronically. The result of the Postal Ballot through remote e-voting process shall be announced not later than two working days from the conclusion of the evoting and the resolution will be taken as passed, if the results of e-voting indicate that the requisite majority of the Members had assented to the Resolution.

12. The voting results along with Scrutinizer's report would be published on the website of the Company i.e. www.apollohospitals.com and will be communicated to the Stock Exchanges where the Company's shares are listed i.e., BSE and NSE.
13. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
14. Non-resident Indian members are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant(s), as the case may be: (a) the change in the residential status on return to India for permanent settlement; and (b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
15. Members are requested to intimate about change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to the Company's RTA, Integrated Registry Management Services Pvt Ltd, Address: Kences Towers, No. 1 Ramakrishna Street, T.Nagar, Chennai – 600 017 India, Email: einward@integratedindia.in in case the shares are held in physical form and to the Depository Participant (DP) in case the shares are held in electronic form.
16. A member cannot exercise his / her vote through proxy on postal ballot. However, corporate and institutional members shall be entitled to vote through their authorized representatives. Corporate and institutional members (are required to send scanned certified true copy (PDF Format) of the board resolution / authority letter, power of attorney together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer by e-mail to lakshmmi6@gmail.com with a copy marked to evoting@nsdl.com.
17. In terms of SEBI circular dated March 16, 2023 and related circulars, Members holding shares in physical form are requested to register / update their PAN, e-mail address, Postal Address with PIN, bank details, nomination and other KYC details. Members are requested to furnish the required details to the RTA.

18. The Board of Directors of the Company has appointed Ms. Lakshmmi Subramanian, Senior Partner, Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Membership No. 3534) (who has communicated her willingness to be appointed) as Scrutinizer for scrutinizing the e-voting in a fair and transparent manner.

19. Instructions for e-voting:

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and the Secretarial Standard on General Meetings, the Company is providing a facility to all its members to enable them to cast their vote on the matters listed in this Notice by electronic means (e-voting). The e-voting facility is provided by National Securities Depository Limited (NSDL).

The steps for e-voting are as under:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and

	<p>you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are

with CDSL	<p>https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” (EVEN : 129275) of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to lakshmmi6@gmail.com with a copy marked to evoting@nsdl.com.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager at pallavid@nsdl.co.in or at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested), AADHAR (self attested) by email to investor.relations@apollohospitals.com.
 2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, along with scanned copy of PAN (self attested), AADHAR (self attested) to investor.relations@apollohospitals.com. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
 3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
10. Some of the important details regarding the e-voting facility are provided below:

EVEN	129275
Cut-off Date for determining the Members entitled to vote through e-voting	Friday, 12 th July 2024
Commencement of e-voting period	Thursday, 18 th July 2024
End of e-voting period	Saturday, 17 th August 2024

The e-voting module will be disabled by NSDL after 5:00 p.m. on 17th August 2024.

11. The result, along with the Scrutinizer's Report, will be announced on or before Monday, 19th August 2024 and placed on the website of the Company and NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date for e-voting i.e. Saturday, 17th August 2024.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013
READ WITH THE RELEVANT RULES

The following Explanatory statement is furnished in respect of the special business of the Postal Ballot Notice:

Item No. 1: Material related party transactions entered into by AHL, a material subsidiary of the Company

Approval Process

AHL proposes to enter into the following transactions approved by the audit committee and independent directors of the Board, on the terms and conditions in the agreements approved by the independent directors in this regard, along with the agreements with Rasmeli Limited as tabled before it (**Transaction Agreements**).

Timeline

AHL proposes to acquire 11.189% (eleven point one eight nine percent) stake in Keimed, on a fully diluted basis, via primary and secondary investment, in two tranches in the following manner:

First Tranche (immediately following completion of Rasmeli's first tranche)

- AHL shall acquire a stake of ~ 1.964% (one point nine six four percent) of the share capital of Keimed, on a fully diluted basis, by way of purchase of 1,32,934 (one lakh thirty two thousand nine hundred thirty four) equity shares of Keimed from Ms. Shobana Kamineni, for a consideration of INR 1,25,40,03,643.52 (Indian Rupees One Hundred Twenty Five Crore Forty Lakh Three Thousand Six Hundred and Forty Three and Fifty Two Paise only); and

Second Tranche (immediately following completion of Rasmeli's second tranche):

AHL shall acquire additional shares in Keimed increasing its total stake to 11.189% (eleven point one eight nine percent) in Keimed, on a fully diluted basis, by way of:

- purchase of 5,30,073 (five lakh thirty thousand and seventy-three) equity shares of Keimed from Ms. Shobana Kamineni, for a consideration of INR 5,00,03,27,029.44 (Indian Rupees Five Hundred Crore Three Lakh Twenty-Seven Thousand and Twenty Nine and Forty Four Paise only), and
- subscription of 1,06,007 (one lakh six thousand seven) equity shares of Keimed, each having an issue price of INR 9,433.28 (Indian Rupees Nine Thousand Four Hundred Thirty Three and Twenty Eight Paise only) aggregating to a total consideration of INR 99,99,93,712.96 (Indian Rupees Ninety-Nine Crore Ninety Nine Lakh Ninety Three Thousand Seven Hundred and Twelve and Ninety Six Paise only) (“**Keimed Primary Shares**”).

In addition, it is proposed that Keimed amalgamates with AHL (“**Keimed Merger**”). With respect to the Keimed Merger, the share exchange ratio shall be as determined by independent valuers(s) appointed by the board of AHL, provided that (unless otherwise consented to by AHL) for every fully paid-up equity share (face value INR 10 (Indian Rupees Ten only) each) of Keimed, a shareholder of Keimed shall be entitled to no more than 0.81 equity shares of AHL of face value INR 10 (Indian Rupees Ten only), as the case may be, subject to adjustments for scenarios set out in the Transaction Agreements (it being clarified that in the event of capital expansion of AHL by way of preferential allotment of shares by AHL for a sum of INR 3,99,99,97,755.00 (Indian Rupees Three Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety Seven Thousand Seven Hundred and Fifty Five only), increase in the employee stock option pool under the employee stock option plan of AHL and bonus issuance by AHL in the manner specified in the Transaction Agreements, the share exchange ratio described above may stand adjusted such that for every fully paid-up equity share (face value INR 10 (Indian Rupees Ten only) each) of Keimed, a shareholder of Keimed shall be entitled to no more than 33.41 equity shares of AHL of face value INR 10 (Indian Rupees Ten only)), in the manner detailed in the Transaction Agreements.

Independent Valuations

The aforesaid transactions (including the primary and secondary transactions) are being undertaken based on independent valuations of: (i) AHL and Keimed, undertaken by KPMG Valuation Services LLP, and (ii) Keimed (from a Related Party Transaction perspective) and AHL (to ensure compliance with FEMA guidelines by AHL) undertaken by Ernst & Young Merchant Banking Services LLP, and in relation to the Keimed Merger, will be further subject to the valuation report(s) obtained prior to the merger filing.

Management of Conflicts of Interest

The aforesaid proposal for (primary and secondary) acquisition of shares of Keimed by AHL and Keimed Merger would qualify as a material related party transaction in terms of Regulation 23 of the Listing Regulations, and therefore needs to be approved by the shareholders of the Company. In accordance with Regulation 23 of the Listing Regulations, approval of the members is sought to undertake the said related party transactions. All promoter directors on the board of the Company abstained from and did not participate in discussions in relation to the said transaction during the board meeting.

Transaction Details The details which are required to be disclosed as per the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, the Listing Regulations and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are given below.

<p>Type, material terms and particulars of the proposed transaction</p>	<p>The material terms of the proposed related party transactions to be consummated by AHL are as follows:</p> <ul style="list-style-type: none"> • AHL has the right to appoint 2 directors on the board of Keimed. • Keimed, Ms. Shobana Kamineni and Prime Time Logistics Technologies Private Limited (“Prime Time”) have provided customary representations and warranties (and certain indemnities) to AHL in respect of various aspects of the share purchase and investment into Keimed. • AHL has customary standstill protections, information and inspection rights and affirmative voting rights in terms of the Keimed agreements. • Keimed shareholders are bound by share transfer restrictions.
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	<ul style="list-style-type: none"> Framework for amalgamation of Keimed and AHL has been provided. 		
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).	Sr. No.	Name of the related party	Nature of Relationship with Apollo Healthco Limited (AHL)
	1.	Keimed	Shobana Kamineni, who is a director in AHL, is a promoter and director in Keimed.
	2.	Shobana Kamineni	Director of AHL.
	3.	Anil Kamineni	Relative of Ms. Shobana
	4.	Puansh Kamineni	Relative of Ms. Shobana
	5.	Prime Time	Ms. Shobana Kamineni, who is a director in AHL, is also a member in Prime Time.
	6.	Family Health Plan Insurance TPA Limited ("FHPL")	Ms. Upasana Konidela, who is a director in AHL, is a Managing Director and holding more than 2% of the

	<table border="1"> <tr> <td data-bbox="816 218 894 359"></td> <td data-bbox="894 218 1122 359"></td> <td data-bbox="1122 218 1354 359">paid-up share capital of FHPL.</td> </tr> </table>			paid-up share capital of FHPL.
		paid-up share capital of FHPL.		
<p>Tenure of the proposed transaction (particular tenure shall be specified)</p>	<p>The completion of the two tranches in respect of investment in Keimed is expected to occur within 12 months, subject to completion of certain condition precedents as set out in the Transaction Agreements and the Keimed Merger as described above is expected to be initiated within 15 months of Rameli's tranche one investment.</p>			
<p>Justification for why the proposed transaction is in the interest of the listed entity</p>	<p><u>For AHEL,</u></p> <p>The transactions are expected to be EPS accretive from Year 1, with the following strategic rationale:</p> <ol style="list-style-type: none"> 1. The transactions are intended to create India's leading omni-channel healthcare business, by complementing our fast-growing digital platform with India's leading pharmacy distribution player having substantial pan-India reach; 2. Increase patient retention and satisfaction, thereby further bolstering our competitive advantage – the integrated and seamless Apollo healing ecosystem. <p><u>For AHL,</u></p> <ol style="list-style-type: none"> 1. The proposed amalgamation allows AHEL to consolidate the distribution business within the group and create a seamless end-to-end pharma distribution channel, thereby improving 			

patient retention, accessibility, and satisfaction in the AHEL ecosystem. This would also expand the margins for the offline pharma business of AHL through integration of the businesses. The purchase consideration of INR 625.43 Crores paid by AHL towards a 9.647% secondary stake acquisition in Keimed would enable the Keimed promoters to retire certain promoter debt and resultant release of the encumbrance over certain shares of Keimed, thereby facilitating merger of Keimed into AHL. The primary equity infusion of INR 99.99 Crores by AHL into Keimed would be used for Keimed's business growth requirements until the completion of the Keimed Merger process.

2. Keimed is significantly ahead of its nearest competitor in a highly fragmented industry with 70,000+ serviced pharmacies. AHL would be able to cross sell its higher-margins private label products and expand into untapped geographic markets by building on the pan-India network of Keimed.

For the combined entity,

1. The merged entity is projected to achieve consolidated revenues of approximately INR 25,000 Crores by Year 3 with operating margins of 7-8%.

	<p>2. Management foresees further synergy benefits such as supply chain efficiencies, cost optimisation, etc. through the amalgamation of AHL and Keimed. The combined entity would also accelerate growth through inorganic acquisition, further enhancing the scale and margin profile of the combined business.</p> <p>3. In-houses related party transactions AHEL had with Keimed to distribute medical supplies across its vast hospital network. Doing so fully aligns Keimed's interest with that of shareholders of AHEL and improves AHEL's overall governance profile.</p>
<p>Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary</p>	<p>Not applicable</p>
<p>A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.</p>	<p>As noted above, the aforesaid transactions (including the primary and secondary transactions) shall be undertaken based on independent valuations of: (i) AHL and Keimed, undertaken by KPMG Valuation Services LLP, and (ii) Keimed (from a Related Party Transaction perspective) and AHL (to ensure compliance with FEMA guidelines by AHL) undertaken by Ernst & Young Merchant Banking Services LLP, and will be further subject to the valuation report(s) obtained prior to the merger filing in respect of the amalgamation of Keimed</p>

	with and into AHL.
Percentage of annual consolidated turnover for the immediately preceding financial year represented by the value of the proposed transaction	3.81% on AHEL's consolidated turnover and 9.27% on AHL's turnover for the year ended 31 st March, 2024.
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	Approximately 43% of Keimed's consolidated turnover for the year ended 31 st March 2024.
Value of the proposed transaction	<p>AHL proposes to acquire 11.189% (eleven point one eight nine percent) stake in Keimed, on a fully diluted basis, via primary and secondary investment, in two tranches, in the following manner:</p> <ol style="list-style-type: none"> <u>First Tranche</u> (immediately following completion of Rasmeli's first tranche) <p>AHL shall acquire a stake of ~ 1.964% (one point nine six four percent) of the share capital of Keimed, on a fully diluted basis, by way of purchase of 1,32,934 (one lakh thirty two thousand nine hundred thirty four) equity shares of Keimed from Ms. Shobana Kamineni, for a consideration of INR 1,25,40,03,643.52 (Indian Rupees One Hundred Twenty Five Crore Forty Lakh Three Thousand Six Hundred and Forty Three and Fifty Two Paise only); and</p> <ol style="list-style-type: none"> <u>Second Tranche</u> (immediately following completion of Rasmeli's second tranche):

AHL shall acquire additional shares in Keimed increasing its total stake to 11.189% (eleven point one eight nine percent) in Keimed, on a fully diluted basis, by way of:

purchase of 5,30,073 (five lakh thirty thousand and seventy-three) equity shares of Keimed from Ms. Shobana Kamineni, for a consideration of INR 5,00,03,27,029.44 (Indian Rupees Five Hundred Crore Three Lakh Twenty-Seven Thousand and Twenty Nine and Forty Four Paise only), and subscription of 1,06,007 (one lakh six thousand seven) equity shares of Keimed, each having an issue price of INR 9,433.28 (Indian Rupees Nine Thousand Four Hundred Thirty Three and Twenty Eight Paise only) per share aggregating to a total consideration of INR 99,99,93,712.96 (Indian Rupees Ninety-Nine Crore Ninety Nine Lakh Ninety Three Thousand Seven Hundred and Twelve and Ninety Six Paise only) ("Keimed Primary Shares").

In respect of the amalgamation of Keimed and AHL, the share exchange ratio shall be as determined by independent valuers(s) appointed by the board of AHL, provided that (unless otherwise consented by AHL) for every fully paid-up equity share (face value INR 10 (Indian Rupees Ten only) each) of Keimed, a shareholder of Keimed

shall be entitled to no more than 0.81 equity shares of AHL of face value INR 10 (Indian Rupees Ten only), subject to adjustments for scenarios set out in the Transaction Agreements (it being clarified that in the event of capital expansion of AHL by way of preferential allotment of shares by AHL for a sum of up to INR 3,99,99,97,755.00 (Indian Rupees Three Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety Seven Thousand Seven Hundred and Fifty Five only), increase in the employee stock option pool under the employee stock option plan of AHL and bonus issuance by AHL in the manner specified in the Transaction Agreements, the share exchange ratio described above may stand adjusted such that for every fully paid-up equity share (face value INR 10 (Indian Rupees Ten only) each) of Keimed, a shareholder of Keimed shall be entitled to no more than 33.41 equity shares of AHL of face value INR 10 (Indian Rupees Ten only)), in the manner detailed in the Transaction Agreements.

The completion of the two tranches of investment in respect of investment in Keimed is expected to occur within 12 months, subject to completion of certain conditions precedent as set out in the Transaction Agreements and the Keimed Merger as described above is expected to be initiated within 15 months of Rasmeli's tranche once investment.

The above information may kindly be read in conjunction with the details provided in the Investor Presentation uploaded on the website of the Company (please refer weblink: <https://www.apollohospitals.com/corporate/corporate-actions/>).

Mrs. Shobana Kamineni and Mrs. Sangita Reddy, being common directors in both the Company and Apollo Healthco Limited (AHL), are interested in this resolution. Dr. Prathap C Reddy, Mrs. Preetha Reddy, Mrs. Suneeta Reddy, being relatives, of Mrs. Shobana Kamineni and Mrs. Sangita Reddy, as Directors and Shareholders of the Company may be deemed to be interested in the transaction. Mrs. Sucharitha Reddy, being a relative of Mrs. Shobana Kamineni and Mrs. Sangita Reddy, and as a shareholder in the Company is interested in the transaction. Ms. Upasana Kamineni being a relative of Mrs. Shobana Kamineni and as a shareholder in the Company and as a Director of Apollo Health Co Limited is interested in the transaction. Mr. Aditya Reddy, being a relative of Ms.Suneeta Reddy, Managing Director as shareholder in the Company and as a Director in Apollo HealthCo Limited is interested in this transaction.

Pursuant to the provisions of Section 184 of the Companies Act 2013 and Rule 15 of the Companies (Meeting of Boards and its Powers) Rules, 2014, none of the interested directors would be voting in favour of the resolution.

No other Key Managerial Personnel (KMP) or Directors nor their respective relatives are interested in the Resolution No. 1 of the Notice.

No member of the Company, who is a related party (within the definition of “Related party” as per the Listing Regulations) including any member forming part of the Promoters/Promoter Group , shall vote to approve the resolution.

All important information has been mentioned in the foregoing paragraphs.

The Board recommends the passing of an **ordinary** resolution specified in this Item No. 1 for the approval of the members.

Item No. 2: Approval for dilution of shareholding in Apollo Healthco Limited (AHL), a material subsidiary of the Company

AHL, a material subsidiary of the Company, had received a proposal for investment of INR

24,75,00,00,282.31 (Indian Rupees Two Thousand Four Hundred Seventy Five Crore Two Hundred Eighty Two and Thirty One Paise only), by Rasmeli Limited (an affiliate Advent International, “**Rasmeli**”), for acquisition of a stake of up to 16.9% (sixteen point nine percent of the issued and paid up share capital of AHL, in one or more tranches and subsequent dilution of Company’s stake in AHL (further diluted to a stake of up to 12.125% (twelve point one two five percent) of the issued and paid up share capital of the merged entity, as may be adjusted upwards pursuant to the adjustments in accordance with Transaction Agreements, upon amalgamation of Keimed with AHL).

Approval Process

Following the audit committee’s approval on April 26, 2024, comprised solely of Independent Directors, in the board meeting held on April 26, 2024, the Independent Directors approved such investment in AHL in accordance with the terms of the agreements tabled before it with the interested executive directors on the board of the company abstaining from discussions and from voting at the said meeting.

Timeline

Rasmeli shall acquire securities of AHL, via primary investment, in two tranches in the following manner:

First Tranche:

- INR 282.31 (Indian Rupees Two Hundred Eighty-Two and Thirty One Paise only) towards subscription of 1 (one) equity share, having an issue price of INR 282.31 (Indian Rupees Two Hundred Eighty-Two and Thirty One Paise only) (“**Rasmeli Equity Shares**”);
- INR 14,85,00,00,000 (Indian Rupees One Thousand Four Hundred Eighty Five Crore only) towards subscription of 14,85,00,000 (fourteen crore eighty five lakhs only) Class A compulsorily convertible preference shares, each having an issue price of INR 100 (Indian Rupees One Hundred only) (“**Rasmeli Class A CCPS**”); and
- INR 2,47,50,00,000 (Indian Rupees Two Hundred Forty-Seven Crore Fifty Lakh only) towards subscription of partly paid 9,90,00,000 (nine crore ninety lakhs only) Class B compulsorily convertible preference shares, each having an issue price of INR 100 (Indian Rupees One Hundred only) (“**Rasmeli Class B CCPS**”).

Second Tranche:

- INR 7,42,50,00,000 (Indian Rupees Seven Hundred Forty-Two Crore Fifty Lakh only) towards making the Rasmeli Class B CCPS fully paid up.

Independent Valuations

The above is based on independent valuations of: (i) AHL and Keimed Private Limited (**Keimed**), undertaken by KPMG Valuation Services LLP, and (ii) Keimed (from a Related Party Transaction perspective) and AHL (to ensure compliance with FEMA guidelines by AHL) undertaken by Ernst & Young Merchant Banking Services LLP.

Management of Conflict of Interest

In connection with Rasmeli's investment in AHL, the Company and identified Promoters of the Company (some of whom are also related parties of AHL) have agreed to customary non-compete obligations with respect to the business of AHL, its associate companies and the Keimed group.

In terms of Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), a listed company is not permitted to dispose of the whole or substantially the whole of the undertaking of such entity unless it takes prior approval of shareholders by way of special resolution of the entity. This requirement is also to be complied with by the listed entity before diluting its shareholding below 100% (one hundred percent) in its wholly owned subsidiary to which the whole or substantially the whole of the undertaking of such listed entity was transferred. Since the Company has, in the past, transferred an identified undertaking to AHL, the resolution in the accompanying Notice is proposed for the purpose of seeking approval of the members through a special resolution. Such a special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution. No public shareholder is permitted to vote on the resolution if he is a party, directly or indirectly, to such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the listed entity.

Use of Proceeds & Strategic Rationale

The proceeds of Rasmeli's investment shall be used in the manner and on such terms and conditions as prescribed under the Transaction Agreements.

A high-level overview of the strategic rationale for undertaking the transaction is given below:

1. Advent is one of the largest and most experienced private equity investors with Assets Under Management of US 94 Billion dollars. Advent has deep knowledge of healthcare & life sciences space having done several transactions across the globe, with experience specifically on merger and post-merger synergy realizations. It has committed over US 6 Billion dollars of capital in India across 20+ investments.
2. The transaction provides liquidity to AHEL to the extent of INR 890 crores, which would help AHEL in its hospitals expansion strategy. AHEL would also benefit from the preferential allotment of equity shares in AHL to the extent of INR 400 crores through participation in potential upside in the value of AHL over the next 2-3 years.
3. AHL, together with the expertise of Advent, would have sharper focus and discipline to scale its digital business in a profitable manner and achieve the management's target of EBITDA breakeven for its digital business within the next 6-8 quarters.
4. The proposed transaction would also reduce the net debt position of AHL and its associate companies, thereby alleviating the interest rate burden during a contractionary monetary policy period and enabling faster growth of its pharma distribution business. This would also help AHL to invest in new lines of digital business, achieve monetization of the digital platform, and accelerates AHL's securing of a dominant position in the rapidly growing digital healthcare industry.

Shareholders can find additional details on the proposed transactions by reviewing the Investor Presentation and the independent Valuation Report of KPMG available on our website by accessing the weblink <https://www.apollohospitals.com/corporate/corporate-actions/>.

To summarise, the investment by Rasmeli shall augment growth of AHL's business, retire the liabilities of AHL towards AHEL which would help to augment the business growth of AHEL as well as enable the amalgamation of Keimed with AHL.

No director or KMP of the Company nor their respective relatives are interested in or concerned, financially or otherwise, in passing the proposed resolution as set out in the Resolution no. 2.

The Board recommends the passing of **Special Resolution** specified in Resolution No. 2 of the Notice for the approval of the members.

By Order of the Board
For **Apollo Hospitals Enterprise Limited**

S M Krishnan
Sr. Vice President – Finance
& Company Secretary

Registered Office:

No 19 Bishop Gardens,
Raja Annamalaipuram
Chennai – 600 028

Place: Chennai

Date: 12th July 2024

Apollo Healthco Ltd

**India's Largest Integrated pharmacy distribution
and Digital health platform**

Transaction Rationale, Valuation and Governance

12 July 2024

Website : <https://www.apollohospitals.com/corporate/corporate-actions/>

Email : companysecretary@apollohospitals.com



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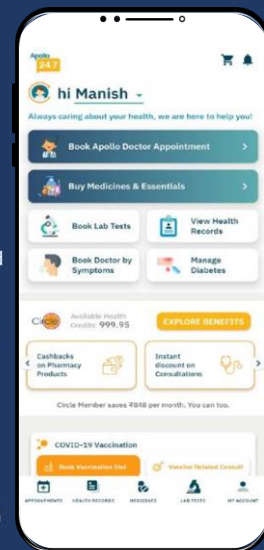
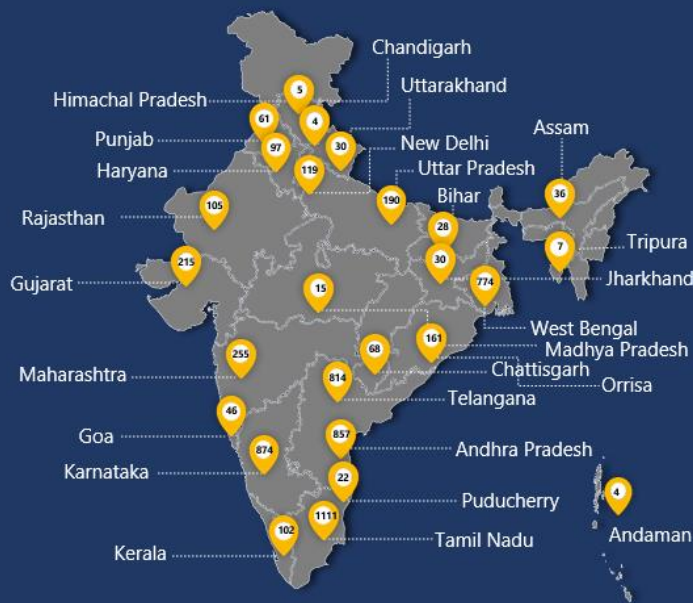
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Largest Omni-Channel Digital Health Offering





01 Executive Summary



Overview

- Apollo Healthco Limited (“AHL”) proposes to **raise equity capital of INR 2,475 Cr (USD 300 Mn)** from Advent International (“Advent”)¹, one of the largest global private equity investors with an AUM of over USD 94 Bn
- Proposes **integration of Keimed Private Limited (“Keimed”) with AHL** in a phased manner

Deal Rationale

- To create **India’s leading integrated pharmacy distribution business complemented by fast growing omni-channel digital health business**
- Keimed is the market leader in wholesale pharma distribution with 2x the scale of nearest competitor and industry leading operating metrics. AHL to utilize Keimed’s vast network of 70,000+ stores to accelerate its INR 1,500+ Cr (USD 0.18 Bn) private label portfolio
- **Merged entity will have an industry defining business model with Pan India presence – Target consolidated Year 3 revenues of ~INR 25,000 Cr² (USD 3.03 Bn) with operating margins* of 7-8%**
- Leverage Advent’s industry and market expertise to **unlock the full-potential of the combination** while using the timely capital injection for growth investment into our **digital ventures without sacrificing legacy CAPEX**
- **In-houses Apollo Hospitals Enterprise Ltd’s (“AHEL”) related-party transactions with Keimed;** Keimed’s interest now fully aligned with our shareholders

Valuation

- Aggregate Enterprise Value of AHL & Keimed is **INR 22,481 Cr (USD 2.72 Bn)**
- AHL is valued at INR 14,478 Cr (USD 1.8 Bn) **which implies over 15% premium to its closest peer’s listed multiple**
- Keimed is valued at INR 8,003 Cr (USD 0.97 Bn) **which implies over 20% discount to its closest peer’s listed multiple**
- Agreed swap ratio for proposed merger is capped at 0.81[#] shares of AHL for every 1 share of Keimed
- Post merger, Advent will hold 12.1% in the combined entity³; Keimed shareholders will own a maximum of 25.7% while Apollo Hospitals Enterprise Ltd (“AHEL”) will continue to be the **largest controlling shareholder with at least 59.2%**⁴; ESOPs of 3%
- **Merger with Keimed estimated to be EPS accretive from Year 1**
- **Valuation multiple appropriate vs. industry and market peers**

Transaction Governance

- ✓ **Independent valuation for transactions, FEMA compliance and from RPT perspective⁴**
- ✓ **Approval by 100% Independent Audit Committee, led by our Lead Independent Director**
- ✓ **Unanimous approval by Independent Directors**
- ✓ **All Promoters recused** from relevant meetings, approval and voting
- ✓ **Engaged with our stakeholders**

¹ Rasmeli Limited, an affiliate of Advent International

² On a Proforma Basis

³ may be adjusted upwards pursuant to the adjustments in accordance with transaction agreements

⁴ Refer slide 25 for details

* Includes economic interest of AHEL holding of 49% in FHPL, which owns 18% in Keimed

[#] Post 24/7 Operating Cost

[†] subject to change on account of any bonus issue, ESOP Plan being amended and AHEL capitalizing a part of its receivables



“

Our mission has been to deliver high quality healthcare to all Indians, at an affordable cost, and with a high degree of reliability and trust. Apollo 24/7 has delivered on this promise and has reached over 33 million Indians in a short span of time. With Advent's investment and the merger of Keimed, the combined entity will be one of the country's leading retail health companies.”

DR. PRATHAP C. REDDY

Executive Chair



02 Parties to Transaction



Offline Pharmacy Distribution

- **India's largest Organized Pharmacy Platform** with presence in ~1,200 cities/towns spread across 22 States and 5 union territories.
- **6,030 Operating Stores** as on 31st March 2024.
- **Serving ~ 800,000 customers** 24 x 7 everyday.
- **FY24 Revenues of Rs. 6,927 crs with 7.3% EBITDA Margins.**
- **Private and Generic Label sales at 19% (offline).**

Apollo 24|7

Unmatched Size

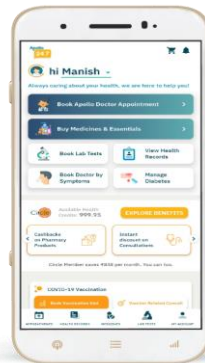
- **33 Mn.+** Registered Users - **609,000** Daily Active Users
- Serving consumers through **network of 6,000+ pharmacies**

Industry-leading Growth at scale

- Platform GMV: INR 2,687 Cr. (USD 0.33 Bn) in FY24, growth of 73% over FY23

Seasoned and Agile Management Team

- Unique combination of a diverse management team with relevant experience across digital technologies and supply chain



Key Differentiators

- Built digital business scale in **1/3rd the time taken** by its peers; AHL **achieved EBITDA breakeven** ahead of its guidance by a quarter
- **Strong brand lineage & captive network** resulting in distinctive advantage of **lowest CAC vs industry**
- **Full stack digital healthcare platform** with first-in-class AI enabled technologies including India's first Clinical Intelligence Engine



Online Diagnostic Booking



Patient E-Health Records



Online Medicine Delivery



Condition Management, Health Insurance



Virtual Doctor Consultations



Keimed | India's Largest Pharma Distributor

Keimed has >2x the scale of its nearest competitor in a highly fragmented industry with 70,000+ distributors

Unmatched Scale

Revenues of INR 10,600 Cr* (USD 1.28 Bn) (with 5% market share Pan-India)

~5%

Market share in Pan India

High Quality Customer Base

Deepest network in India covering 18 states and presence across all key markets

70,000+

high performing pharmacies serviced

Preferred Sales Partner

Go-to partner for launch of new formulations. Offers widest assortment of SKUs compared to peers

45,000+

SKUs

State-of-the-art Infrastructure

With primary focus on safety and quality, has built a robust cold chain and supply infrastructure to ensure 24 hrs Pan-India delivery

96

Distribution centres

Trusted Relationships

Direct relationship with most manufacturers - Single largest customer for all major pharma companies

300+

Manufacturers

Experienced Management

Led by a group of industry veterans with decades of relevant experience

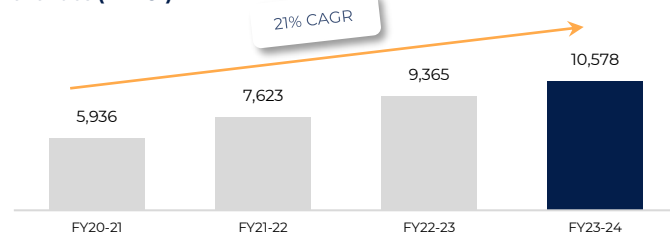
~6,000

Employees

Sound Financial Performance with 10-year revenue CAGR of 18+% with industry leading EBITDA Margins

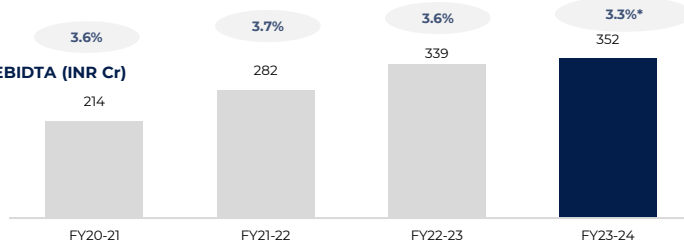
Consistent Revenue Growth

Revenues (INR Cr)



Industry Leading EBITDA Margins

EBITDA (INR Cr)



*EBITDA margins slightly dropped in FY24 due to one-time cost escalations and bandwidth constraints resulting from **restructuring of over [40+] subsidiaries**

Return on Capital Employed
FY23 +18%

Return on Equity
FY23 +19%



Advent International | Long-Term Partner for Success and Value Creation

One of the largest and most experienced global private equity firms globally and in India with a long-term value-creation orientation to investments and partnership

Advent is one of the largest PE funds Globally and in India

\$94bn+

Of Assets under management (AUM) globally

\$6bn+

Capital committed in India across 25+ deals across sectors

And Is India's most active and successful investors in Healthcare



A leading multi-specialty hospital chain in south India



India's #1 Women's health and fertility specialty pharma company

India's leading CDMO serving global leaders in pharma & chemicals



\$2.1Bn+ invested in Healthcare in India across 7 assets

With a long-term value creation potential and mindset

1. via a global pool of industry stalwarts as exclusive partners



Bhasker Iyer
former CEO
Abbott India



Tom Ryan
former CEO
CVS



Abhijit Mukherjee
former COO
Dr Reddy's



Glenn Murphy
former Chairman
Lululemon



Shweta Jalan
Managing Partner
& Head of India,
Advent



Pankaj Patwari
Managing Director
Advent

2. and experience of scaling retail and consumer brands in India and globally

select India examples

Crompton



select Global examples

lululemon

ZIMMERMANN





03 The Transaction



Key Terms of The Transaction

Investment Amount

- **Advent to invest INR 2,475 Cr (USD 0.30 Bn) in 2 tranches**
 - 70% at first close – INR 1,732 Cr (USD 0.21 Bn)
 - Balance 30% at 12 months of the first close – INR 743 Cr (USD 0.09 Bn)

End Use Of Funds

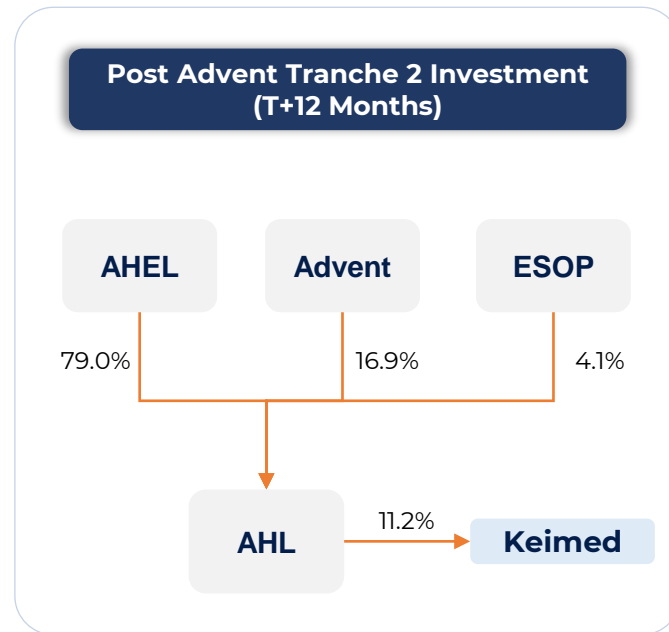
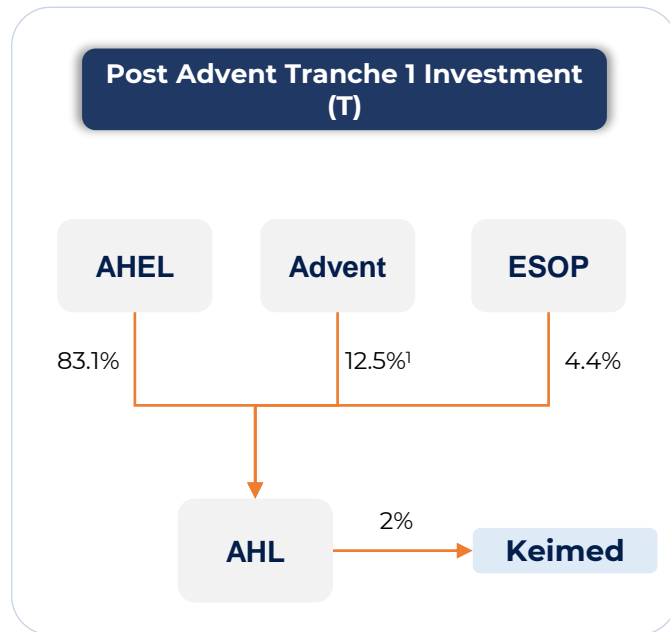
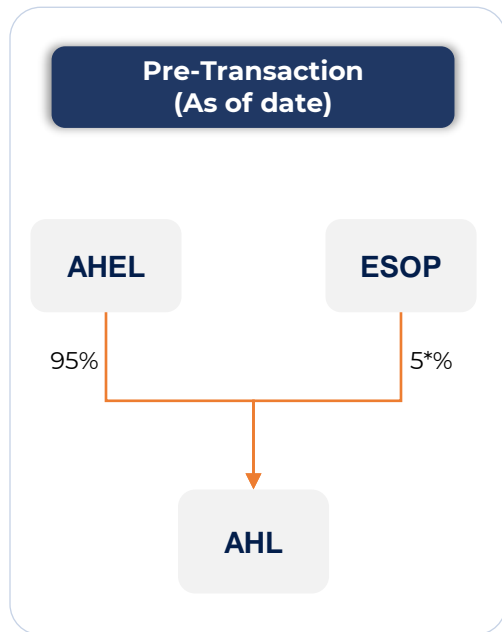
- **Growth capital for AHL of INR 860 Cr (USD 0.10 Bn)** – to provide AHL with further impetus to strengthen its position in the industry and unlock greater business opportunities
- **Retirement of INR 890 Cr (USD 0.11 Bn) of the INR 1,290 Cr (USD 0.16 Bn) slump sale consideration due to AHEL;** AHEL to convert the balance due of INR 400 Cr (USD 0.05 Bn) into equity in AHL at same as Advent's valuation
- **Acquisition of 11.2% Equity interest in Keimed for INR 725 Cr* (USD 0.09 Bn)**

Keimed Acquisition (EV of INR 8,003 Cr – USD 0.97 Bn)

- AHL to acquire 2.0% equity stake of Keimed at the first close from Keimed promoters
- To acquire additional 9.2% equity stake of Keimed within 12 months of the first close through a combination of primary investment & secondary stake purchase
- **To file for Keimed merger with AHL within 15 months of Advent's first tranche investment** & target completion in ~24-30 months

** includes INR 625 Cr of secondary purchase from Keimed promoters to enable them retire certain promoter debt and resultant release of the encumbrance over certain shares of Keimed Limited, thereby facilitating merger of Keimed into AHL*

Proposed Transaction Structure and Steps (1/2)



Tranche 1

- Advent investment of INR 1,732 Cr (USD 0.21 Bn) in AHL
- AHL to acquire stake in Keimed for INR 125 Cr (USD 0.02 Bn)

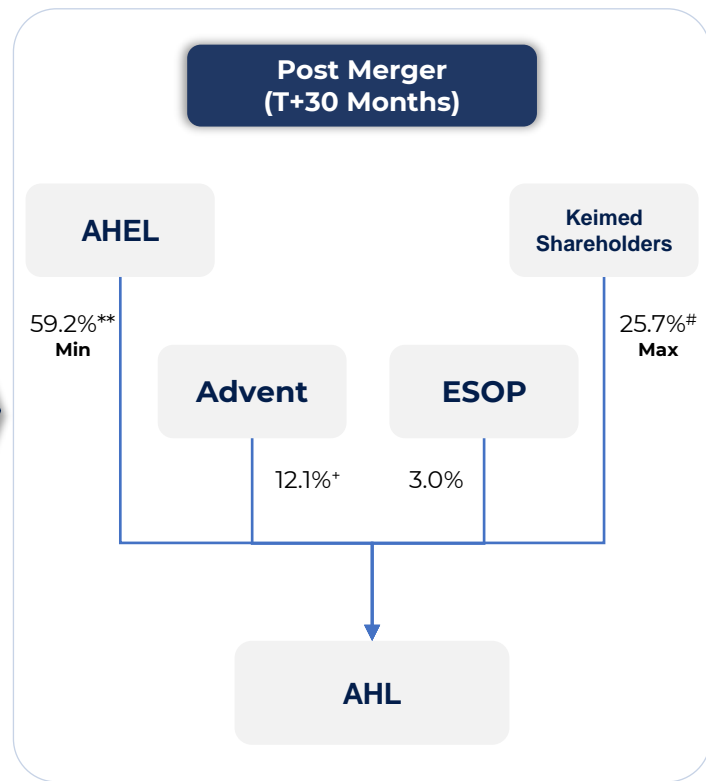
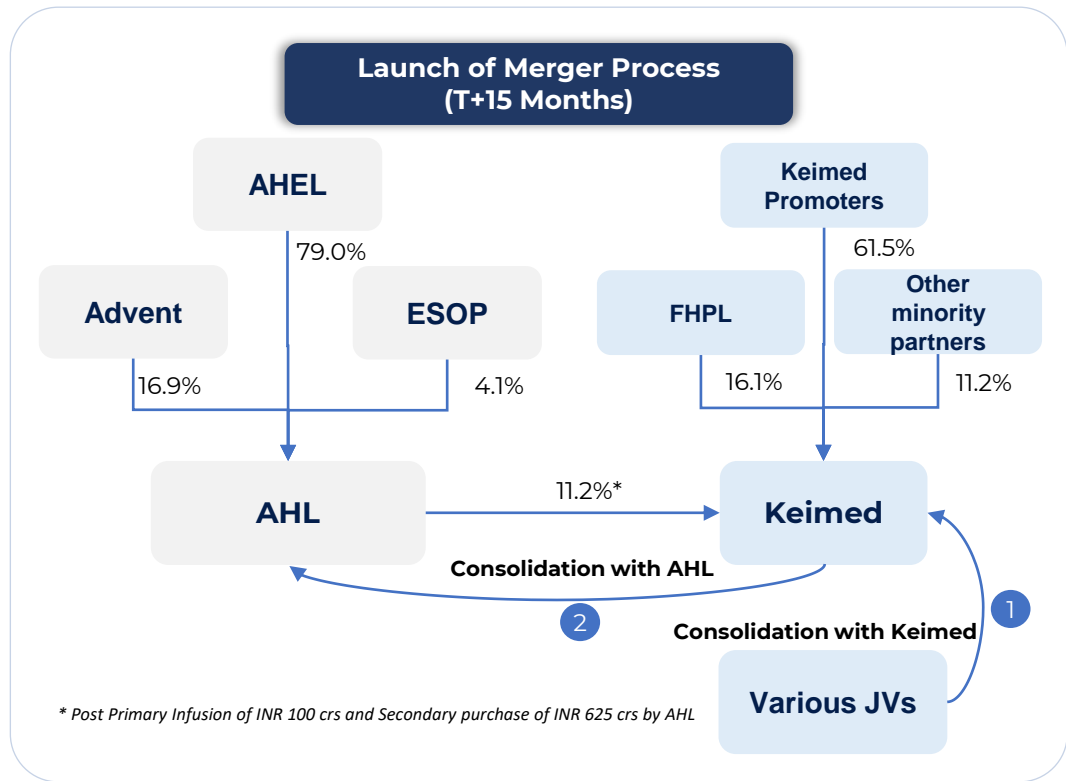
Tranche 2

- Advent investment of INR 743 Cr (USD 0.09 Bn) in AHL
- AHL to acquire stake in Keimed for INR 600 Cr (USD 0.07 Bn)

* ESOP Pool of 5% represents the increased pool which is yet to be implemented ; ¹ On an as-if converted basis, the stake would be 16.9%. However, since certain shares are partly paid-up, % has been shown to that extent.



Proposed Transaction Structure and Steps (2/2)



1 Internal restructuring of Keimed Group; Post restructuring all JV's to be 100% owned by Keimed

2 Keimed is proposed to be merged with AHL through a scheme of arrangement with NCLT approval

** Includes economic interest of AHEL holding of 49% in FHPL; AHEL effective economic interest through FHPL post merger process is 2.5%; # Includes 3.6% of Keimed minority partners; + may be adjusted upwards pursuant to the adjustments in accordance with transaction agreements



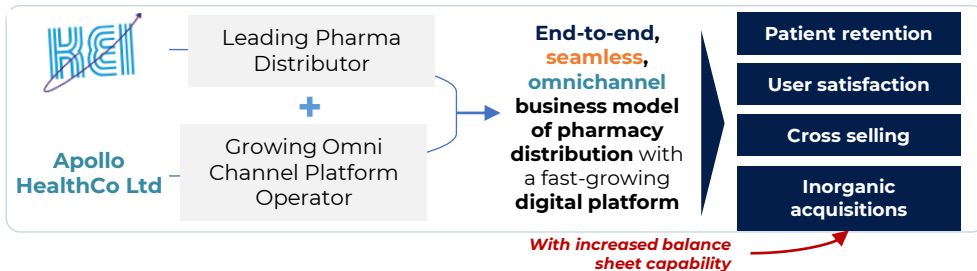
04 Strategic Rationale



Synergetic Benefit of the Keimed Merger

1

Becoming India's Leading Healthcare Provider



2

Integrated Business Model Driving Revenue Growth...



3

... with Improving Cost Efficiency and Margins

Supply chain efficiencies, together with above permanently changes AHL's margins, allowing for a growth story that outpaces our status quo.



EBITDA expansion in both AHL and Keimed over the next 2 years

4

"In-houses" related party transactions (RPT)

Keimed's extensive scale and cost-efficiency, being the largest in India, were leveraged to distribute medical supplies across our vast network. Although these RPTs were negotiated at arm's length and overseen by the Audit Committee and PwC, they presented a governance overhang. By integrating Keimed into AHL, the, we eliminate the RPT and its overhang.

Corporate Governance Improvement Appreciated by Market



"Deal should help address concern on related party transaction with Keimed with interest now fully aligned with Apollo HealthCo"

J.P.Morgan

"More importantly, it removes the overhang of related-party transaction"



"The merger is likely to remove the corporate governance overhang of large related-party transaction"



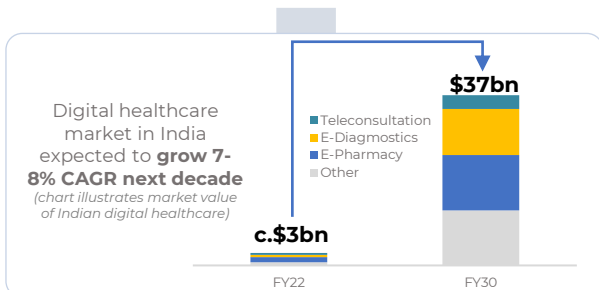
The integration would also significantly reduce related party transactions for APHS



CAPEX Flexibility with Advent's Timely Capital Injection

To capture a leading position in Traditional and Digital Healthcare

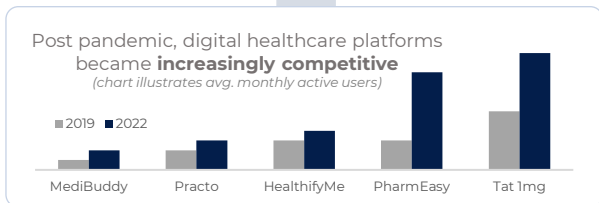
Profitable growth opportunities in India's digitalization



Source: BCG



With intensifying competition...



Source: BCG



... securing an early advantage = Creating Long-Term Value

1

CAPITAL INJECTION: Capital injection provides **CAPEX flexibility** to front-run competition in capturing worthwhile Traditional and Digital Healthcare growth



Provides liquidity to AHL to the extent of Rs 860Cr and AHEL Rs 890Cr

2

NET DEBT REDUCTION: Portion of capital used to retire AHL debt, thereby reducing the interest-rate burden in today's monetary policy environment. **Allows more capital to be spent on growth.**



3

LEVERAGING EXPERIENCE: Leveraging Advent's best-in-class network of senior advisors with deep subsector and functional expertise will **unlock the full potential of the merger**



- Global experience in consumer and healthcare
- Scaling Private Label Portfolio
- Integration and Synergy Realization
- Efficiency and Cost Takeout
- Best-in-Class Governance
- Transaction Discipline



Collective Impact on Our Equity Story

Merger with Keimed

India's leading integrated healthcare provider

End-to-end supply chain, with omni-channel digital business. Improving customer satisfaction, retention, accessibility, and more.

Permanently changed margin outlook

Cross-selling via Keimed's industry-leading infrastructure + supply chain efficiencies leading to meaningful margin improvements.

Governance profile improvements

In-housing of RPTs aligns Keimed for the full benefit of Apollo Hospitals shareholders.



Advent International

Timely capital to capture growth...

Allows front-running of increasing competition to secure a leading market position.

... without sacrificing investment into our traditional venture

Grows our digital venture whilst creating value across our entire portfolio.

Reducing net-debt position of AHL

Which is appropriate in today's high-interest rate policy environment.

Leveraging Advent's experience to unlock AHL's full potential

Deep industry and market expertise, with invaluable track record of value creation.



Independent Valuation



Overseen by Independent Body



Promoters Recused from Approval



Robust Rationale and Timely Disclosure

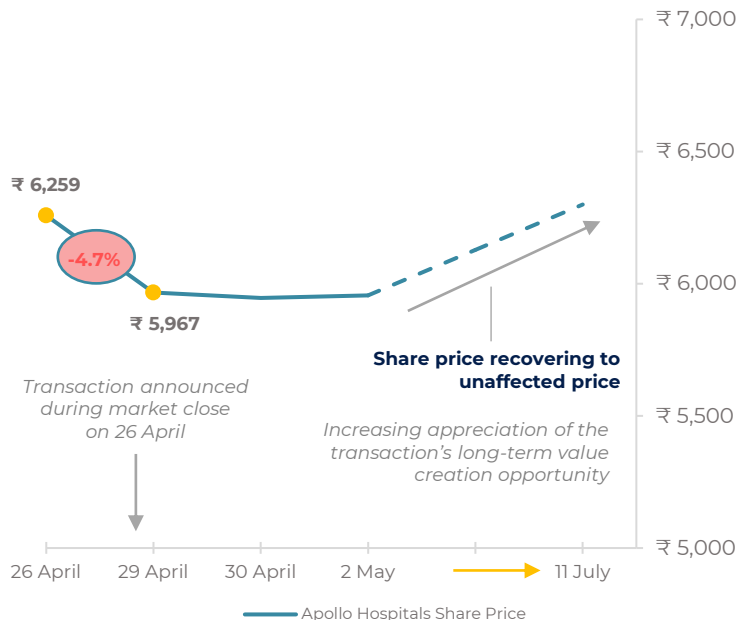


Arm's Length Negotiation Process



Market's Strong Belief in Transaction's Value Creation

1 Initial market correction owing to expected higher AHL valuation, but gaining confidence in our strategic rationale...



2 ... further evidenced by Analyst's view that the Transactions will create long-term value...



BANK OF AMERICA

"We think the margin expansion of the integrated business does provide meaningful upside over the medium-term"

"The FY27 guidance for merged AHL business (7% margin) with positive EBITDA in 24/7 will help re-rate the valuation for the entity meaningfully"



"Rising traction in non-hospitals businesses should lead to step-up in [Apollo Hospitals] revenue growth, margins and RoCE."

J.P.Morgan

"We do note the significant value unlock potential the combined entity can achieve if management guidance of 22%/110% rev/EBITDA CAGR is achieved in 3 years"



"We see meaningful upside and a rerating potential for the combined entity"

"We believe the market is not fully pricing in the early success of Apollo's digital strategy [...] the market could be positively surprised by Apollo's success on multiple fronts"

3 ... and ultimately satisfy a standing request of our shareholders due to its benefits



"Integration of Keimed into APHS has been a longstanding investor ask given synergy benefits"



“ Today marks a new milestone and gives us the ability to double down on what we do best. The size of the merged supply chain will allow 1.4 billion Indians access to genuine medicines within 24 minutes to 24 hours, 7 days a week! The platform will continue to strengthen and evolve to deliver market-leading and curated omni-channel health offerings, and make high quality care accessible to all.”

SHOBANA KAMINENI

Executive Chairperson, Apollo Health Co Ltd



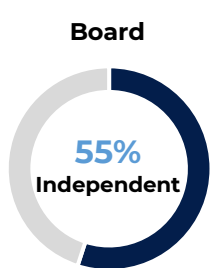
05 **Transaction Governance and Process**



AHEL : Led by a Board that Represents All Stakeholders...

Board Composition as at 2023 AGM

	Dr.Prathap C. Reddy	Dr.Preetha Reddy	Shobana Kamineni	Dr.Suneeta Reddy	Dr.Sangita Reddy	MBN Rao	Kavitha Dutt	Som Mittal	Dr. Murali Doraiswamy	Vinayak Chatterjee	Rama Bijapurkar
	Chair	Executive Vice Chair	Executive Vice Chair	Managing Director	Joint Managing Director	Lead Ind. Director	NED	NED	NED	NED	NED
Independence Classification											
Company						✓	✓	✓	✓	✓	✓
ISS + Glass Lewis						✓	✓	✓	✓	✓	✓
Board Skills Matrix											
Healthcare Expertise	✓	✓	✓	✓	✓				✓	✓	
Finance	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Strategy / Corporate Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



As at 2023 AGM



Apollo Hospitals has been awarded a Quality Score of 1 by ISS, underscoring our unwavering commitment to top-tier corporate governance and positioning us as a leader in industry best practices.

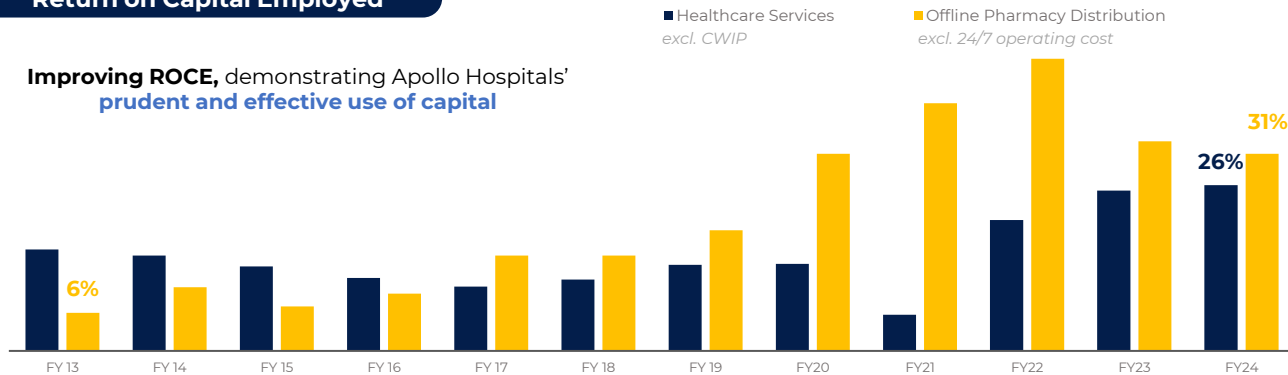
QualityScore



... and Creates Long-Term Value

Return on Capital Employed

Improving ROCE, demonstrating Apollo Hospitals' prudent and effective use of capital



Our Capital Allocation Success Factors

- **Early communication** and feedback from stakeholders
- Robust **Boardroom expertise** on capital allocation
- Prudent approach to **utilization and expansion**
- Strong project **execution** capabilities

Source: AHEL Investor Presentation

Total Shareholder Return

5-Year TSR vs. SENSEX & NIFTY 50

Excess TSR vs. market, showcasing our Board and Executives' ability to create long-term shareholder value



3-Year TSR vs. SENSEX & NIFTY 50





Transaction Overseen by Robust Governance...

Transaction Governance that is Aligned with Shareholders' Expectations

- ✓ **Arm's length process**
- ✓ Approved by the **10% independent Audit Committee**
- ✓ Unanimously **supported by Independent Directors**
- ✓ **Independent valuation** for transactions, FEMA compliance and from Related Party Transaction perspective*
- ✓ **Valuation appropriate** among peer multiples
- ✓ Robust strategic rationale for **long-term value creation**
- ✓ Independent **appreciation by market analysts**
- ✓ In-houses RPTs, fully **aligns interest** of Keimed with stakeholders
- ✓ **Engaged** with our stakeholders for feedback
- ✓ Transactions reflect **long-standing stakeholder requests**
- ✓ **Timely disclosure** of all materials

* Please refer slide 25 for details

Independent Audit Committee, Chaired by MBN Rao, Approved the Transaction



MBN Rao
Lead Independent
NED, Chair of Audit
Committee



V. Kavitha Dutt
Independent NED



Som Mittal
Independent NED

Transaction Process undertaken



A Outreach to **marquee investors** by our **Investment Bankers (VedaCorp)**

B **Detailed Commercial, Financial, Tax, Legal and ESG due diligence on AHL & Keimed** by incoming investor

C **Financial due diligence (Deloitte) on Keimed**

D AHL retained **Shardul Amarchand** as its legal advisor for the transaction while AHEL has retained **AZB & Partners** as its legal advisors

E **Independent valuation conducted** by :
(1) #KPMG on Keimed and AHL for arm's length testing.
(2) Ernst & Young on Keimed from RPT perspective and on AHL to ensure compliance with FEMA valuation guidelines.

#Shareholders can find the valuation Report on our website under the corporate actions tab as below
<https://www.apollohospitals.com/corporate/corporate-actions/>



06 **Combined Entity – Valuation, Value Creation & Financial Outlook**

Fair Valuation and Unique Combination of Consumer-driven Digital Health with Integrated Pharmacy Distribution



Swap Ratio Basis :

	AHL	Keimed
Enterprise Value	₹ 14,478 Cr	₹ 8,003 Cr
Equity Value	₹ 11,780 Cr	₹ 6,383 Cr
# of Shares Outstanding ¹	10,120,000	6,766,930
Price Per Share ¹	11,640	9,433
Swap Ratio	1.00	0.81 *

Valuation in relation to Peer Multiples

	Enterprise Value	EV/ FY24 EBITDA [@]	EV/ FY24 Sales		Enterprise Value	EV/ FY24 EBITDA [@]	EV/ FY24 Sales	
AHL	₹ 14,478 Cr	NM	1.8x	↑ Premium	Keimed	₹ 8,003 Cr	24.1x	0.8x
Listed Peer [#]	₹ 7,856 Cr	45.4x	1.4x		Listed Peer [#]	₹ 4,439 Cr	47.1x	1.1x

Integrated business model will help drive several synergies

- Faster expansion in Tier 2/3 markets by leveraging on existing infrastructure
- Broader channel for AHL's private label push
- End-to-end supply chain capabilities with wide scale of product selection

Keimed's vast network & library of historical data combined with AHL's digital capabilities to feed into digital analytics engine creating more reliable data analytics

Several global examples of integrated supply chain businesses who have demonstrated sustained long-term growth with large market share

* Agreed swap ratio for proposed merger is capped at 0.81 shares of AHL for every 1 share of Keimed. # Valuation as on April 26, 2024 @ On pre-Ind AS EBITDA basis ; # of shares outstanding and price per share are based on the current ESOP pool of 2.5% and would change accordingly once ESOP pool is increased to 5% prior to investment in Advent; Equity value will change on account of preferential allotment of shares to AHL.

Combined Financial Metrics | Snapshot (FY24)



INR Cr	Offline Pharmacy Distribution	+	Online Pharmacy Distribution + Apollo 24 7	=	Total Health Co	+	Total Keimed	=	Combined*
Revenue	6,927		900		7,827		10,578		13,770
EBITDA (Pre 116 AS) ¹	506		103		609		352		961
EBITDA % (Pre-Ind 116 AS) ¹	7.3%		11.4%		7.8%		3.3%		7.0%
24 7 Operating Cost	-		-619		-619		-		-619
ESOP Non-Cash Charge	-		-89		-89		-		-89
EBITDA (Pre-Ind 116 AS)	506		-605		-99		352		253
EBITDA % (Pre-Ind 116 AS)	7.3%		-		-		3.3%		1.8%

*Adjusted For Inter Company Sales (Keimed & AHL)

¹Pre 24|7 Operating Cost and ESOP Non-Cash Charge



Balance Sheet position – Mar'24 | Stronger post the transaction

INR Cr	Pre-Transaction		Proforma #
	AHL	Keimed *	AHL + Keimed
Net Worth	(649)	793	3,119
Net Debt/ (Cash)	1,843	1,668	1,261
Non-current liabilities	168	-	168
Sources of Funds	1,362	2,461	4,548
Net Working Capital	929	2,124	3,053
Other assets	433	337	1,495
Application of Funds	1,362	2,461	4,548
Key Ratios			
Debt/ Equity Ratio	NM	2.1	0.4
Net Assets/ Debt	0.7	1.5	3.6

- **Debt to Equity** is expected to improve to 0.4 times on a pro forma basis, primarily on account of reduction in the consolidated net debt post the proposed fund raise. The current net worth of AHL is negative.
- **Net Assets/ Debt** is set to improve with a relatively better asset coverage in Keimed compared to AHL prior to the transaction.
- AHL Net debt includes an amount of Rs. 1,286 crs towards slump sale consideration & ICD dues to AHEL

* Keimed is on Pre-Ind AS Basis, AHL is on a Post-Ind AS Basis | Keimed figures are subject to changes upon completion of ongoing group restructuring process

Management estimate of aggregate balance sheet; this is not constructed in accordance with Ind-AS / merger accounting; considers Keimed on Pre-Ind AS Basis



Merged Entity | Financial Outlook (Proforma)





	FY24	FY27
Revenue (INR Cr)	6,927	~11,600
3 Yr Rev. CAGR	16.5%	18.8%
EBITDA (INR Cr)	506	~1,050
EBITDA Margin (%)	7.3%	~9.0%

EBITDA margin increase of **170 bps**

Growth Levers:

- Increased contribution from Private Label (PL) & Generics segments
 - PL & Generics will continue to grow at their historical growth rate of **25-30%** leading to an increase in share of revenues from **19% to 25%**
 - The 3 largest PL categories will be **personal hygiene & diapers, vitamin and mineral supplements and point of care health devices.**
- Store network expansion to continue at **~500+ stores each year** for next 3 years

Margin Levers:

- GM for PL & Generics is **~60%**, compared to ~30% for Pharma & FMCG
- Maturing of recently opened stores - Mature stores have higher throughput and favorable product mix with superior EBITDA margins



(INR Cr)	FY24	FY27
Revenue	900	~4,000
EBITDA*	(516)	~75
EBITDA %	N.M.	~1.9%
<hr/>		
24 7 GMV	2,687	~9,400
Pharmacy	1,211	~5,500
VC & Diagnostics	1,472	~3,200
New Initiatives	4	~700

Growth Levers:

- **Pharmacy GMV** has historically grown at **5x in the last 2 years** and is expected to grow 3x in the next 7-8 quarters. Primary factors:
 - AOV has increased from **650 to 1,000 (55% increase)** in last 3 years by improving user mix, product initiatives and tiered discounting
 - Further improvement in AOVs through leveraging Apollo ecosystem for acquiring high quality / frequency users particularly in **top 5 cities**
 - Increased contribution from PL and Generics share from **~3.5% to 15%** of GMV
- Increased thrust on **VC & Diagnostics business** – historically has grown more than **10x** in the last 2 years
- Introduction of **Insurance** (launched pilot – received great traction and **full roll-out planned in FY25**) & **Digital Therapeutics**

Margin Levers:

- PL & Generics share to gradually increase as we replicate key learnings from the offline experience
- New initiatives (i.e. insurance, Digital therapeutics) have intrinsically high margins (**80%+**)

* EBITDA excludes ESOP Charges



	FY24	FY27
Revenue (INR Cr)	10,578	~18,300
3 Yr Rev CAGR	20.0%	20.0%
EBITDA (INR Cr)	352	~700
EBITDA Margin (%)	3.3%	~3.8%

EBITDA margin increase of ~50 bps

Growth Levers:

- 3-year historical growth of Keimed is **20%** and is expected to grow at a similar rate through a combination of:
 - **Existing business** organics growth;
 - **Entry into new markets** in **Tier-II and Tier-III** cities;
 - **Acquisition** of operating companies in new and existing markets

Margin and Return Profile:

- EBITDA margins slightly dropped in FY24 due to one-time cost escalations and bandwidth constraints resulting from **restructuring of over [40+] subsidiaries**
- **Operating leverage** was offset by lower margins of new branches & acquired partners. As inorganic share reduces, larger scale will lead to higher margins
- **RoCE is 18%**, and the business will continue to deliver similar returns



Proforma AHL + Keimed [FY27]

	AHL Offline PD	Digital	Keimed	Consol
Revenue (INR Cr)	~11,600	~4,000	~18,300	~25,000*
3-Year Growth	18.8% CAGR	4.4x growth	20.0% CAGR	24.3% CAGR
	Largely in line with market growth & historical CAGR	Last 2 years 10x growth	Largely in line with historical CAGR	
EBITDA (INR Cr)	~1,050	~75	~700	~1,825
EBITDA Margin (%)	9.0%	1.9%	3.8%	~7.3%

Consol business is factoring in additional 0.4% increase in margins largely led by digital break-even (Excluding digital business, the Consol margins are already at 7%)

*Revenue consolidation is post Keimed-AHL intercompany elimination



Driven by a Highly Experienced Team...



Ms. Shobana Kamineni (Executive Chairperson, Apollo Health Co Ltd) spearheaded significant initiatives, including the development of three of the largest verticals within the Apollo Group.

She oversees the omni-channel Apollo Pharmacy platform, comprising over 6000+ stores nationwide, India's largest integrated digital healthcare platform, Apollo 24/7 and founder and chairperson of Apollo Munich Health Insurance (divested to HDFC Ergo).

She has made history as the first female President of the Confederation of Indian Industry (CII) in over a century. Additionally, she holds roles at the World Economic Forum (WEF), advocating for India's workforce preparation for the Fourth Industrial Revolution and digital inclusion in healthcare.

Apollo Healthco Ltd



**Madhivanan B
CEO**

IIM Calcutta with 30+ years experience across Banking, Technology & FMCG



**Sanjiv Gupta
CFO**

CA, CFA, MBA; 20+ years. experience in Strategy, M&A, Financial Planning



**Vijayendra Singh
COO**

IIT (Kharagpur), IIM (Cal); 15+ years experience, Ex-MD Foodpanda



**Shamik Banerjee
CMO**

18+ years of experience across strategic marketing and brand management



Apollo Pharmacies Ltd



**S.Obul Reddy
Managing Director**



**P.Jayakumar
CEO**



**Vinodh Kumar
Srinivasan
CFO**



**R.Balamurugan
COO**



**C G Balaji
CIO**



... Who Have Delivered on Past Promises

Our Commitment in November 2018 during APL Reorganization.....

- 1 Build a multi-year growth platform to achieve **5000 pharmacy outlets in 5 years and INR 10,000 Crores in Revenues.** ✓
- 2 Enhance **Private Label Business share to over 12%**, by broadening and deepening the product portfolio ✓
- 3 Strengthen the Direct-to-Consumer (D2C) front-end operations to **drive same-store growth, prescription fill rates and overall experience ; Overall Business ROCE target of 30 + %** in 5 years. ✓
- 4 **Foray into Digital Commerce and execute an Omni-Channel strategy**, leading to increased consumer convenience ✓
- 5 Build an **integrated customer loyalty platform** centred around a satisfied and engaged customer, leading to repeat business and higher customer retention ✓

FY24 Delivered

6,000 + Outlets

¹Rs.9,800crs
Revenue

India's largest
integrated digital
healthcare
platform, Apollo
24/7

16.1% Private
label sales

²ROCE 31%

1.4 Mn Circle
Membership

¹ Combined Pharmacy

² Offline pharmacy distribution



07 Next Steps



Proposals for Shareholders Approval

Agenda Items Requesting your Support

At the 2024 EGM, Apollo Hospitals will request shareholder support for the below items, which each are subject to different vote thresholds. Given the related nature, **execution of one transaction is contingent on the other passing.**

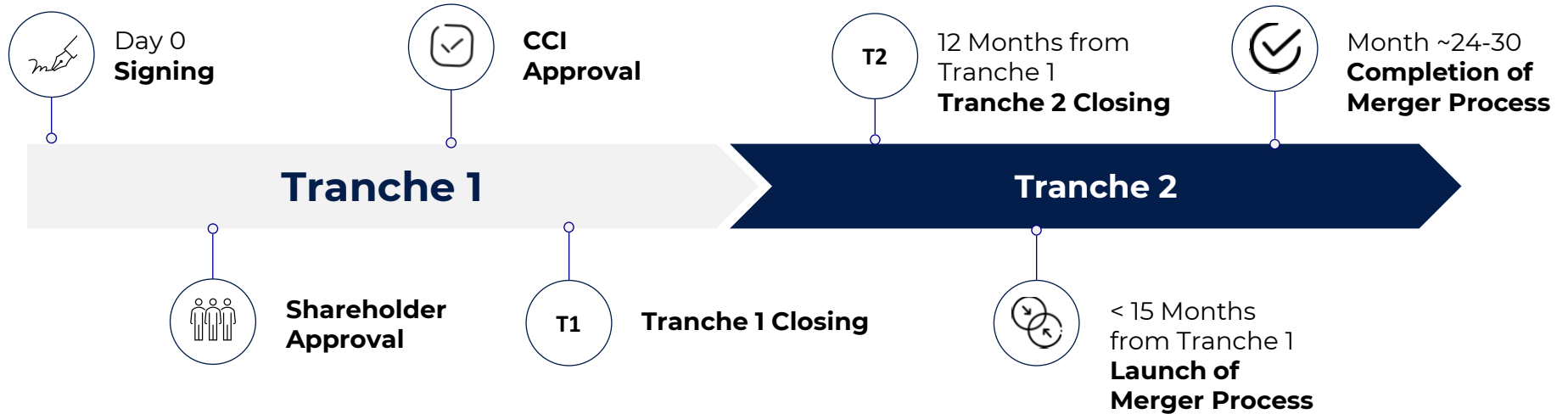
We strongly encourage the **participation of all our shareholders in shaping the future** of Apollo Hospitals.

	Agenda Item	Purpose	Pass Requirement
1	Material related-party transactions entered into by Apollo HealthCo, a material subsidiary of the Company.	Merger with Keimed	>50% approval by minority shareholders . Promoters recused from voting.
2	Approval for dilution of shareholding in Apollo HealthCo Limited, a material subsidiary of the Company.	Raise Capital From Advent International	75% approval of all shareholders AND >50% approval by minority shareholders

Agenda and explanatory notice published separately



Steps and Timelines





Thank You.